

**ORIGINAL**

LAW OFFICES OF BROOK HART

A Law Corporation

BROOK HART #723

333 Queen Street, Suite 610

Honolulu, Hawaii 96813

[hartlaw@hawaii.rr.com](mailto:hartlaw@hawaii.rr.com)

Telephone: (808) 526-0811

Facsimile: (808) 531-2677

FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII

HOWARD GLICKSTEIN #2392

345 Queen Street, Second Floor

Honolulu, Hawaii 96813

[hglickstei@aol.com](mailto:hglickstei@aol.com)

Telephone: (808) 521-3336

Facsimile: (808) 566-0347

FEB 10 2006

at 1 o'clock and 35 min. PM  
SUE BEITIA, CLERK

FRED H. ALTSHULER

Altshuler, Berzon, Nussbaum,

Rubin & Demain

177 Post Street, Suite 300

San Francisco, California 94108

[faltshuler@altshulerberzon.com](mailto:faltshuler@altshulerberzon.com)

Telephone: (415) 421-7151

Facsimile: (415) 362-8064

Attorneys for UNITY HOUSE, INC.,  
IN RECEIVERSHIP

IN THE UNITED STATES DISTRICT COURT

DISTRICT OF HAWAII

UNITED STATES OF AMERICA,

Plaintiff,

vs.

AARON A. RUTLEDGE, ANTHONY

) Criminal No. 02-00438 DAE  
)  
) SUPPLEMENTAL MEMORANDUM  
) IN SUPPORT OF MOTION TO  
) REMOVE ITEM NO. 37 ("LAND -  
) PUNALUU") FROM THE LIST OF  
) UNITY HOUSE ASSETS SUBJECT

SUPPLEMENTAL MEMORANDUM IN SUPPORT OF MOTION TO  
REMOVE ITEM NO. 37 (“LAND – PUNALUU”) FROM THE LIST OF  
UNITY HOUSE ASSETS SUBJECT TO RESTRAINING ORDER, OR, IN  
THE ALTERNATIVE, FOR AN ORDER ALLOWING ENTRY OF  
AN INTERLOCUTORY DECREE OF FORECLOSURE

2

and the Foreclosure Lawsuit (Civil No. 99-2545-07) will be dismissed with prejudice.

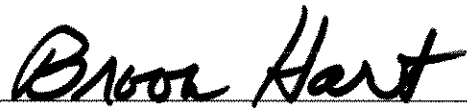
The amount agreed to by the parties to resolve these matters is a reasonable and fair resolution. Unity House, Inc. will receive approximately \$5,300,000 over and above the \$3.744 million loaned to the Hanohano entities in 1997. Unity House, Inc. will not have to go through an appeal, in which two of the appellate issues would be the allowance by the State Circuit Court of what the Associations will claim is a double recovery of interest, by allowing approximately \$1.1 million in interest expense paid by Unity House in addition to the substantial interest embodied in the \$10.5 million gross redemption amount, as well as the appellate issue of allowing more than \$600,000 in attorneys' fees in a situation in which the contract of the parties does not provide for attorneys' fees.

Due to these developments, if the Court does not remove the "Land – Punaluu" item entirely from the Restraining Order, Movant respectfully requests as alternative relief that the Court allow the parties to the State Circuit Court lawsuits to resolve those lawsuits on the terms and conditions set forth in Exhibit A to the Declaration of Corey S. Park.

Also, in the original Motion, Movant purported to attach as Exhibit A to the Declaration of Howard Glickstein a copy of the State Circuit Court's February 7, 2005 Findings of Fact and Conclusions of Law in Civil No. 99-2545-07. Through

inadvertence, the wrong document was attached. See Declaration of Howard Glickstein attached hereto. The correct document is attached to the Declaration of Howard Glickstein attached hereto. Movant apologizes to the Court and to the parties for the error.

DATED: Honolulu, Hawaii, February 10, 2006.

A handwritten signature in black ink, reading "Brook Hart", written over a horizontal line.

BROOK HART  
HOWARD GLICKSTEIN  
FRED H. ALTSHULER  
Attorneys for UNITY HOUSE, INC.,  
IN RECEIVERSHIP